STORM & HEMINGWAY

A LIMITED LIABILITY PARTNERSHIP

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INTELLECTUAL PROPERTY LAW

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April 2, 2004

Edward W. Goldstein, Esq. Goldstein & Faucett, LLP 1177 West Loop South, Suite 400 Houston, TX 77027 VIA FACSIMILE (713) 877-1145

Re: Expanse Networks, Inc. v. Catalina Marketing Corp.

Civil Action No. 02-CV-2857 in the Eastern District of Pennsylvania

Our Ref. No. CATA 02815 LPAT

Dear Ed:

In response to Plaintiff's letter to Court today, Defendant hereby designates at least the following claim terms as needing construction by Plaintiff. To the extent a phrase indicated below contains discrete subparts (e.g. "receiving the advertisement profile") each subpart must be defined (e.g. "receiving" and "advertisement profile.")

U.S. No. 6,216,129

Claim 1

"computer implemented method";

"selecting a targeted advertisement";

"profile of the consumer";

"generated from";

"detailed purchase records"

"profile for each advertisement";

"identifies"

"discretionary characteristics";

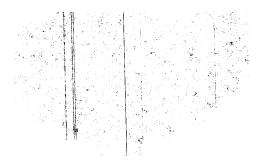
"intended target market";

"receiving the advertisement profile";

"retrieving the consumer profile";

"wherein the detailed purchase records used to generate the consumer profile include multiple point-of-sale transactions."

"calculating a correlation factor between":



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"scalar product of the consumer profile and the advertisement profile"; and "selecting"..."responsive to said calculating a correlation factor."

U.S. No. 6,298,348

Claim 1

"a computer implemented method"

Sincerely,

Paul V. Storm

Part V. Man-

cc: Edward W. Goldstein, Esq. Steven M. Coren, Esq. Justin Summer, Esq. Camille Miller, Esq.

Via Facsimile Via Facsimile Via Electronic Mail Via Electronic Mail

[&]quot;generating a profile of a consumer";

[&]quot;based on multiple purchases made by the consumer";

[&]quot;accumulated in detailed in purchase records";

[&]quot;retrieving the detailed purchase records";

[&]quot;retrieving product characterization information associated with products";

[&]quot;a set of heuristic rules";

[&]quot;probabilistic measure";

[&]quot;demographic characteristics";

[&]quot;generating a profile of the consumer based on";

[&]quot;demographic profile"; and

[&]quot;generated from the detailed purchase records and the set of heuristic rules."